

## **GOVERNMENT OF ANDHRA PRADESH**

### **ABSTRACT**

**PUBLIC SERVICES – Treasuries and Accounts Department** – Fraudulent drawal of Military pensions on fake Pension Payment Orders by imposters in eight Districts viz. Visakhapatnam, Guntur, Cuddapah, Adilabad, Nizamabad, Medak, Nalgonda and Mahaboobnagar District - Criminal Proceedings and Departmental Proceedings initiated against Sri E.Veeraiah, STO (Retd.), District Treasury Guntur - Charges not proved in the inquiry and acquitted in the Criminal Proceedings – Exonerated from the charges and further action dropped – Orders – Issued.

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### **FINANCE (ADMN.I.VIG.) DEPARTMENT**

**G.O.Rt.No. 2731**

**Dated:16-07-2011**

**Read the following:-**

1. Regional Joint Director-II, Cuddapah Charge Memo. No.A1/2546/99-10, dt.24.7.1999.
2. Explanation of Sri E.Veeraiah, STO, District Treasury, Guntur, dt.
3. G.O.Rt.No.1079, Finance (Admn.I) Department, dt.19-06-2000.
4. Enquiry Report of Sri D.Tavudu, Joint Director of T&A, Region-I, Visakhapatnam, dt. 22-12-2000.
5. Govt. Memo.No.13529-B/127/A2/Admn.I/2001-3, dt. 23-12-2003
6. Explanation of Sri E.Veeraiah, STO, District Treasury, Guntur, dt.23-02-2004.
7. G.O.Rt.No.1517, Finance (Admn.I.Vig.) Department, dt.06-04-2006.
8. Judgement dt.21-04-2011 of the Court of Special Judge for SPE & ACB Cases, Vijayawada.
9. Representation of Sri E.Veeraiah, STO (Retd.) District Treasury, Guntur, dt.4-5-2011.
10. DTA Lr.No. K(I)4/16397/99, dated 25-05-2011.

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### **ORDER:**

The fake Pension Payment Orders under Military pensions were received by the Treasury Department in Visakhapatnam, Guntur, Cuddapah, Adilabad, Nizamabad, Medak, Nalgonda and Mahaboobnagar Districts and an amount of Rs.37,18,910/- was fraudulently drawn by the bogus military pensioners.

2. The Chief Controller of Defence Accounts [Pensions], Allahabad has issued various instructions for verification of the PPOs issued by them. The DTA also reiterated and issued instructions from time to time. According to the instructions, the following verification is essential for Pension Payment Orders for payment.

1. Whether the PPO is received by the payment authority through authorized channel i.e., ensuing effective check of the postal seal embossed on the envelopes in order to ascertain the name of station from where it was posted.
2. Ensure that the PPO is issued by the Pension Sanctioning Authority.
3. Fake PPOs were marked 'Pension Certificate Copy' on the top instead of "ORIGINAL" [PDA Copy]
4. The signature should be ink signed not in rubber stamp.
5. The specimen signatures should be tallied with the specimen Signatures circulated by the CCDA [P], Allahabad.
6. Whether the Rubber stamp of the Officer concerned with his name and code number is affixed on the PPO.
7. It should be confirmed that the PPO forms were generated on Computer. The fake PPOs were in different forms.
8. The PPO is marked debit 'CIVIL ESTIMATES'
9. It should be confirmed that the PPOs are bearing uncolored seal [Embossed].
10. It should be verified that the imprint of the uncolored seal is

matching with the specimen circulated by the CCDA [P].

11. The District Sainik Welfare Officer has to identify the new pensioners and two old defence pensioners drawing pensions in the same treasury, who introduce the new defence pensioner
12. The PPOs should be dispatched through local delivery/post, but not handed over to the pensioners.
13. Check the PPO and details mentioned therein with the list of PPO received from PPO issuing authority. In case of doubt it should be verified with the CCDA [P] either through written communication or fax/telephone.
14. Payment shall be authorized only when Treasury Officer is personally satisfied that pensioner is genuine.

3. The following (3) Fake PPOs were received in the District Treasury, Guntur.

Sl.No.	Fake PPO NO.	Name of the Pensioner	Date of receipt
1.	S/012655/98	Sri Ashok Singh	14-09-1998
2.	S/012647/98	Sri Ganga Ram	12-10-1998
3.	S/012692/98	Sri Jainath	12-10-1998

The following District Treasury personnel were allegedly responsible for forwarding the fake PPOs to the Headquarter Sub-Treasury, Guntur without following the instructions of the Chief Controller of Defence Accounts [Pensions], Allahabad for arranging payment:

1. **Sri T.D.Jaya Prasad, District Treasury Officer, Guntur.**
2. **Sri A.Ameer Basha, Sub-Treasury Officer, District Treasury, Guntur.**
3. **Sri E.Veeraiah, Sub-Treasury Officer I/c, District Treasury, Guntur.**
4. **Sri Kamal Kishore Pancharya, Senior Accountant, Guntur.**

The following Sub-Treasury Personnel have processed and passed for payment of Pension on fake PPOs without following the instructions of the Chief Controller of Defence Accounts [Pensions], Allahabad.

1. Sri K.Satya Murthy, Sub Treasury Officer, Sub-Treasury, Guntur.
2. Sri M.Venkateswarlu, Senior Accountant, Sub-Treasury, Guntur.
3. Sri A.Mohana Rao, Shroff, Sub-Treasury, Guntur.

Sl.No.	Fake PPO NO.	Name of the Pensioner	Date of receipt	Amount of Pension paid
1.	S/012655/98	Sri Ashok Singh	14-09-1998	Rs.1,51,190
2.	S/012647/98	Sri Ganga Ram	12-10-1998	Rs.2,01,445
3.	S/012692/98	Sri Jainath	12-10-1998	Rs.1,46,664
Total				Rs.4,99,299

4. The following lapses were observed on the part of the Treasury employees:
  - Not followed the clear instructions of the CCDA/DTA while verifying the documents submitted by the Bogus Military pensioners.
  - Some of the PPOs were processed in no time i.e. within a day or two.
  - Basic verifications such as tallying the signatures of the authorized officers of Defence along with emblems and official paper used by the CCDA office were not done.
  - The PPOs filled by using a type writer instead of computer were also accepted. The fake PPOs were in different forms.
  - The District Sainik Welfare Officer has to identify the new pensioners and two old defence pensioners who introduce the new defence pensioner. It was not followed in these cases.
  - New pensioners were introduced to the Banks by the treasury persons for opening of an Account which was against the instructions prescribed.

- The descriptive rolls of fake pensioners showed that a group of persons submitted these fake documents to different District Treasuries and same persons were found to have submitted claims in different names. The misappropriations were committed with ease and the manner in which the cases were proceeded give rise to the suspicion that persons who were aware of the procedures both in CCDA office and District Treasury/Sub-treasuries colluded with the accused.
- For the lapses of non-verification of fake PPOs as per the procedure, the embezzlement took place.

5. Hence, Departmental Proceedings were initiated against the Treasury employees, who have not followed the guidelines issued by the Chief Controller of Defence Accounts [Pensions], Allahabad. The following articles of charge have been framed against Sri E.Veeraiah, Sub-Treasury Officer, District Treasury, Guntur.

**Article-I:**

**That the said Sri E. Veeraiah, Sub-Treasury Officer, District Treasury, Guntur while functioning as Sub-Treasury Officer, District Treasury, Guntur during the period 1998 has failed to identify the faked PPOs received in his office with reference to the detailed ORS/TECH/FAKE/334, dt. 19-10-1994 and 2-12-1996 and he has forwarded the bogus PPOs to the Sub-Treasury Officer and caused a loss of Rs.2,01,455/- under Military Pensions on the payment made to Ganga Ram a faked pensioner.**

6. The Charged Officer, Sri E.Veeraiah, STO, District Treasury, Guntur, in his defence statement has stated that he was not a regular STO of MPP Section. He was kept incharge of MPP section for one day i.e. 12-10-1998 on which date the draft letter forwarding the PPO of Sri Gagaram was approved by him. He got full confidence on the concerned Accountant Sri Kamal Kishore Pancharya who got sufficient experience in pensions and processing the PPO. The Senior Accountant has not brought the instructions issued by the Chief Controller of Defence Accounts [Pensions], Allahabad to his notice before processing the file. Had they come to his notice, he could have avoided forwarding the PPO to the STO, Guntur. The District Treasury is not a place of payment and there was no malafide intention to defraud the government money and requested to drop the charges levelled against him.

7. In the G.O. 3<sup>rd</sup> read above, Government have appointed Sri D.Tavudu, the then Joint Director T&A, Region-I, Visakhapatnam and now Additional Director (Retd.) as Inquiry Officer to conduct regular inquiry under Rule 20 of A.P.C.S. (CC&A) Rules, 1991 into the charges framed against all the treasury employees involved in this case. The Inquiry Officer submitted his report on 22-12-2000. In his report, the Inquiry Officer observed that in the absence regular STO who was on leave, the Charged Officer, Sri E.Veeraiah, happened to process the file as incharge of the section for that single day on 12-10-98. Acting as incharge STO for one single day, it is not possible for him to follow the detailed instructions. Moreover the file was sent to him without any of the instructions issued by the Chief Controller of Defence Accounts [Pensions], Allahabad by the Senior Accountant. Further, while appending his signature on the draft letter, instructions were issued to STO, Guntur to make payment only after following all the instructions and procedures. The STO, Guntur is expected to follow the instructions before making payment. The explanation of Charged Officer is convincing to believe that being one day in charge STO of that section, one cannot be expected to follow the minute detailed checks and instructions at the supervising level. These instructions are primarily to be followed by the Accountant dealing with subject. Moreover, District Treasury is not the source of the payment and the draft letter only was addressed with instructions to the STO, Guntur for arranging payment after observing usual procedures. Hence, the Charge leveled against him cannot be sustained and not proved.

8. Further, Criminal cases were also filed in the respective Districts. The CB CID has investigated the cases. The investigation report of the CID reveals that the Treasury Staff have intentionally evaded and failed to follow the guidelines and procedure issued in Circular No.K1/5026/728, dated 17-02-79 of Director of Treasuries and Accounts of A.P., Hyderabad and Circular No. AT/TECH/FAKE/334 Volume-I, dated 08-12-93, 08-09-94, 19-10-94 and 2-12-96 issued by Chief Controller of Defence (Pensions) Allahabad

circulated to all DTOs and STOs by the Director of Treasuries and Accounts to A.P., Hyderabad and conspired with accused Parsinath Singh @ Arun Singh and his associates in sanctioning military pensions on the fake pension payment orders. The CID has filed charge sheets in the competent courts of jurisdiction against the accused Treasury employees besides the imposters who had drawn the Government money. Government accorded sanction for prosecution of the following Treasury personnel of Guntur District vide G.O.Rt.No.1517, Finance (Admn.I.Vig.) Department, dt.06-04-2006. The CID filed Charge Sheet in the Court of Spl. Judge for SPE & ACB Cases, Vijayawada in C.C.No.24/07 in Cr.No.115/2001 of Arundalpet, P.S.,Guntur against the following:-

1. Kamal Kishore Pancharya, Senior Accountant.
2. Shaik Ameer Basha, STO (Retd.)
3. Edara Veeraiah, STO (Retd.)
4. Kondamuchi Satya Murthy, STO (Retd.)
5. Mandapu Venkateswarlu, Sr.Accountant
6. Ala Mohan Rao, Shroff.

9. In respect of the criminal case filed by the Dy. SP., CID RCIU, Vijayawada against the Treasury personnel of the Guntur District concerned, the Court of the Spl. Judge for SPE & ACB cases, Vijayawada has pronounced its judgment on 21-04-2011 in C.C.No.24 of 2007. **All the sentences shall run concurrently. The Accused Officer-6 Edara Veeraiah, STO (Retd.) and AO-9 Ala Mohan Rao, Shroff are not found guilty for the offences punishable under Section 120-B IPC, Section 109 IPC and r/w 419 IPC, Section 109 IPC and r/w 419 IPC, Section 109 IPC and r/w 419 IPC, Section 109 IPC r/w 468 IPC, Section 109 IPC r/w 468 IPC, Section 109 IPC r/w 468 IPC, Section 471 IPC, Section 409 IPC, Section 13 (1) (C) r/w 13 (2) of Prevention of Corruption Act, 1988 and Section 13 (1) (d) r/w 13 (2) of PC Act, 1988 and hence the Accused Officers 6 and 9 are acquitted under Section 248 (1) of Cr.PC.**

10. Sri E. Veeraiah, STO (Retd), who is acquitted in the criminal case, in his representation dt:04-05-2011 has stated that he has retired as Sub- Treasury Officer on 29-02-2004. His pensionary benefits were not yet finalized due to pendency of criminal case and departmental proceedings. Since, the Court of the Spl. Judge for SPE & ACB cases, in its Judgment in CC No. 24/2007, dt. 21-04-2011 acquitted him and in the departmental enquiry, the charge framed against him was not proved, he has requested the Government to look into the matter sympathetically and issue orders for release of full pension and commutation and withheld gratuity amount at an early date as he is suffering a lot without pension.

11. Government, after careful consideration of the matter keeping in view the findings of the Inquiry Officer and the judgment of the Court of Spl. Judge for SPE & ACB cases, Vijayawada in CC No.24/2007, hereby exonerate Sri E.Veeraiah, STO (Retd.), District Treasury, Guntur from the charges and drop further action against him under Rule 9 of A..P.Revised Pension Rules,1980.

12. The Director of Treasuries and Accounts shall take necessary further action in the matter and report compliance.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**RANJEEV R.ACHARYA  
PRL.SECRETARY TO GOVERNMENT (FP)**

To

The individual through the Director of Treasuries and Accounts, A.P., Hyderabad.

The Director of Treasuries and Accounts, A.P., Hyderabad.

Copy to:

The Secretary, A.P. Vigilance Commission, Secretariat, Hyderabad.

The Addl. DGP, CID, Hyderabad.

The Deputy Director, District Treasury, Guntur.

**:: FORWARDED BY ORDER::**

**SECTION OFFICER**